

F. No. 29-09/2023 – LI
Government of India
Ministry of Communications
Department of Posts
Directorate of Postal Life Insurance

Chanakyapuri PO Complex,
New Delhi, Dated 22.03.2024

To,

All the Heads of Circle

Subject: - Guidelines for the payment of GST on Late Fees/ Default fees/interest collected on delayed payment of PLI/RPLI premia – reg.

This is regarding guidelines / directions sought by various circles for the payment of GST on Late Fees/ Default fees/interest collected on delayed payment of PLI/RPLI premia w.e.f. 1st July 2017.

It is to intimate that audit has raised objections in different Circles and in this Directorate for the non-payment of GST on the subject cited above.

In view of the above, a detailed accounting procedure is enclosed for smooth payment of due GST.

Therefore, it is kindly requested to issue necessary instructions to the concerned DDOs to ensure that the payment of GST on Late Fees/ Default fees/interest collected on delayed payment of PLI/RPLI premia w.e.f. 1st July 2017 along with applicable interest has been made to the GST Authorities and appropriate return has been filed.

Encl: As above.



(Sachidanand Prasad)
General Manager (Finance)

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The GM (CEPT) - with a request to upload the amount of Late Fees/default fees/interest collected on delayed payment of PLI/RPLI premia year-wise/HO-wise for the period 1st July 2017 to December 2023 in the Utility Portal with immediate effect.

A detailed accounting procedure for the payment of GST on Late Fees/ Default fees/interest collected on delayed payment of PLI/RPLI premia

**** The payment of GST on late fees/default fees/interest collected on delayed payment of PLI/RPLI premia for the period 1st July 2017 to December 2023 is to be paid from the PLI/RPLI Fund on interim basis and after deployment of the functionality in the system, the GST amount will be collected from the customers and a contra entry is to be passed to replenish the PLI/RPLI Fund.**

The total amount of Late Fees/default fees/interest collected on delayed payment of PLI/RPLI premia year-wise/HO-wise for the period 1st July 2017 to December 2023 as extracted from McCamish will be available in the Utility Portal. Calculation of GST @18% (inclusive of interest, if any applicable at the time of payment) is to be done manually for all the impacted policies and the following accounting entries are to be passed:

| PLI | | | | |
|----------------------|------------------------------------|----------------------|----------------------------------|--|
| Debit | | Credit | | Profit Centre |
| GL | Description | GL | Description | |
| 7801601320 | Payment of Service Tax/GST for PLI | 8866102720 | CGST-Collection on PLI Services | Profit Centre of the Post Office concerned |
| 8016-06-107-01-01-00 | | 8661-00-101-62-01-00 | | |
| | | 8866102740 | SGST-Collection on PLI Services | |
| | | 8661-00-101-62-03-00 | | |
| | | 8866102760 | UTGST-Collection on PLI Services | |
| | | 8661-00-101-62-05-00 | | |

| RPLI | | | | |
|----------------------|-------------------------------------|----------------------|-----------------------------------|--|
| Debit | | Credit | | Profit Centre |
| GL | Description | GL | Description | |
| 7801601370 | Payment of Service Tax/GST for RPLI | 8866102850 | CGST-Collection on RPLI Services | Profit Centre of the Post Office concerned |
| 8016-06-107-02-01-00 | | 8661-00-101-63-01-00 | | |
| | | 8866102870 | SGST-Collection on RPLI Services | |
| | | 8661-00-101-63-03-00 | | |
| | | 8866102890 | UTGST-Collection on RPLI Services | |
| | | 8661-00-101-63-05-00 | | |

The amount of GST so credited in the above mentioned HoAs/GLs is to be remitted to GST Department and file GST returns.

| Debit | | Credit | | Profit Centre |
|--------------------------|--|--------------------------|---|---|
| GL | Description | GL | Description | |
| 8866102850 | CGST- Collection on RPLI Services | 48670***** | Drawings from Bank clearing GL of the circle concerned | Profit Centre of the Post Office concerned |
| 8661-00-101- 63-01-00 | | 8670-00-107- 01-00-00 | | |
| 8866102870 | SGST- Collection on RPLI Services | | | |
| 8661-00-101- 63-03-00 | | | | |
| 8866102890 | UTGST- Collection on RPLI Services | | | |
| 8661-00-101- 63-05-00 | | | | |

** **The payment of GST on late fees/default fees/interest collected on delayed payment of PLI/RPLI premia from January 2024 onwards** is to be collected from the customers manually till incorporation of automatic deduction of GST in McCamish system and the following accounting entries is to be passed:

| PLI | | | | |
|----------|-------------|--------------------------|---|--|
| Debit | | Credit | | Profit Centre |
| GL | Description | GL | Description | |
| DoP Cash | DoP Cash | 8866102720 | CGST- Collection on PLI Services | Profit Centre of the Post Office concerned |
| | | 8661-00-101-62- 01-00 | | |
| | | 8866102740 | SGST- Collection on PLI Services | |
| | | 8661-00-101-62- 03-00 | | |
| | | 8866102760 | UTGST- Collection on PLI Services | |
| | | 8661-00-101-62- 05-00 | | |

| RPLI | | | | |
|----------|-------------|--------------------------|--|--|
| Debit | | Credit | | Profit Centre |
| GL | Description | GL | Description | |
| DoP Cash | DoP Cash | 8866102850 | CGST- Collection on RPLI Services | Profit Centre of the Post Office concerned |
| | | 8661-00-101-63- 01-00 | | |
| | | 8866102870 | SGST- Collection on RPLI Services | |
| | | 8661-00-101-63- 03-00 | | |
| | | 8866102890 | UTGST- Collection on RPLI Services | |
| | | 8661-00-101-63- 05-00 | | |

The amount of GST so credited in the above mentioned HoAs/GLs is to be remitted to GST Department and file GST returns.

| Debit | | Credit | | Profit Centre |
|------------------------------------|--|------------------------------------|---|---|
| GL | Description | GL | Description | |
| 8866102850 8661-00-101-63-01-00 | CGST- Collection on RPLI Services | 48670***** 8670-00-107-01-00-00 | Drawings from Bank clearing GL of the circle concerned | Profit Centre of the Post Office concerned |
| 8866102870 8661-00-101-63-03-00 | SGST- Collection on RPLI Services | | | |
| 8866102890 8661-00-101-63-05-00 | UTGST- Collection on RPLI Services | | | |